96615-2

SEPTEMBER 1990

OREGON LABOR TRENDS

State of Oregon • Employment Division • Department of Human Resources

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Aug.	1990	5.6
July	1990	5.8
Aug.	1989	5.6

United States (Seas. Adj.)

Aug.	1990	5.6
July	1990	5.5
Aug.	1989	5.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

Aug.	1990	133.2
July	1990	133.0
June	1990	132.7
May	1990	133.5
Apr.	1990	133.2

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

July	1990	$11.14
June	1990	$11.03
July	1989	$10.91

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

July	1990	38.8
June	1990	39.2
July	1989	38.5

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1990	124.9
Yearly change	4.7%
Annual Average 1989	120.4
Yearly change	5.0%

United States

Aug. 1990	131.6
Yearly change	5.6%
Annual Average 1989	124.0
Yearly change	4.8%

Portland Hotline 326-4132

FLASHING YELLOW LIGHTS, OR ARE THEY RED?

Dwayne Stevenson

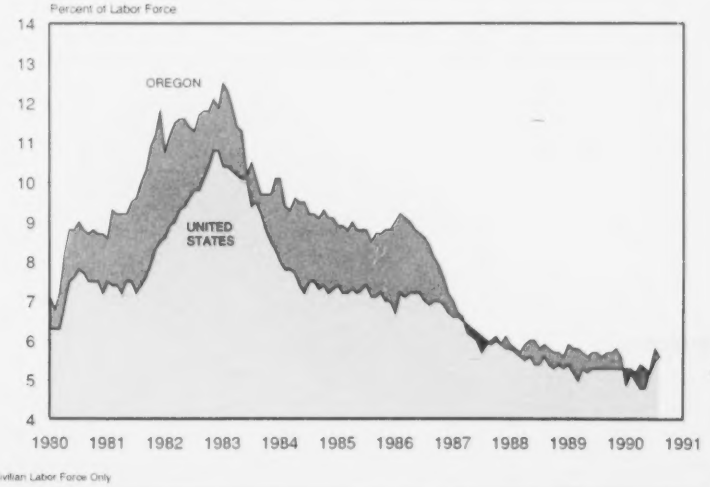
Oregon's seasonally adjusted wage and salary employment index appears to have settled down over the past six months. It has moved in a narrow (eight-tenths of a point) range, and August's preliminary index (133.2) is identical to April's. The index's lack of direction does not give encouraging signs in spite of the unemployment rate's apparent decline in August. "Apparent decline" is used since the monthly rate has undergone substantial revisions at the end of the year in the benchmarking process (see April **Trends**). Additional economic indications for concern come from a closer look at the industrial employment numbers.

August's total seasonally adjusted job increase was 2,100. In retail trade, about half of the seasonally adjusted gain in employment was attributable to double counting of jobs in grocery stores. Both replacement workers and workers returning after a labor dispute were included in the final employment count since both worked during the mid-month survey week.

The job increase in services was also tenuous in nature. Temporary employment services was virtually carrying the ball, accounting for all of the gain. However, due to the "temporary" constraint on these workers' employment longevity, they may drop the ball as quickly as they picked it up from the May-July fumble of 1,600 jobs.

Part of the recent uptick in the wage and salary employment index has been attributable to the census activity. As of August, fewer than 300 workers of the over 4,000 peak in May remained. Declining census employment accounted for much of the 2,100 seasonally adjusted employment drop in government in August.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES
OREGON AND THE UNITED STATES



Civilian Labor Force Only

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG.1/ 1990	JUL.2/ 1990	AUG. 1989	CHANGE FROM JUL. 1990	CHANGE FROM AUG. 1989
TOTAL 5/	1,254,800	1,244,600	1,218,900	10,200	35,900
WAGE & SALARY EMPLOYMENT INDEX 6/	133.2	133.0	129.4	XXX	XXX
GOODS PRODUCING INDUSTRIES 7/	285,000	280,100	280,900	4,900	4,100
SERVICE PRODUCING INDUSTRIES 8/	969,800	964,500	938,000	5,300	31,800
TOTAL MANUFACTURING	229,800	226,300	229,700	3,500	100
DURABLE GOODS	161,200	161,100	163,100	100	- 1,900
LUMBER & WOOD PRODUCTS	65,500	66,000	69,600	- 500	- 4,100
LOGGING	12,000	11,700	13,000	300	- 1,000
SAWMILLS	21,300	21,500	23,600	- 200	- 2,300
VENEER & PLYWOOD	14,400	15,000	16,000	- 600	- 1,600
MILLWORK & STRUCTURAL WOOD	11,300	11,300	10,700	0	600
MOBILE HOMES	2,100	2,100	1,900	0	200
OTHER WOOD PRODUCTS	4,400	4,400	4,400	0	0
FURNITURE AND FIXTURES	3,100	3,000	3,100	100	0
STONE, CLAY, GLASS & CONCRETE	4,600	4,500	4,400	100	200
PRIMARY METALS	11,900	11,800	11,300	100	600
BLAST FURNACES, IRON & STEEL 9/	6,100	6,100	5,900	0	200
NONFERROUS METALS 9/	5,800	5,700	5,400	100	400
FABRICATED METALS	12,000	12,100	12,300	- 100	- 300
FABRICATED STRUCTURAL METALS	5,200	5,300	5,200	- 100	0
OTHER FABRICATED METALS	6,800	6,800	7,100	0	- 300
MACHINERY	17,700	18,000	18,000	- 300	- 300
OFFICE & COMPUTING MACHINES	4,700	4,800	4,800	- 100	- 100
OTHER MACHINERY	13,000	13,200	13,200	- 200	- 200
ELECTRONIC & OTHER ELECTRIC EQUIPMENT 9/	17,200	17,200	16,000	0	1,200
TRANSPORTATION EQUIPMENT	14,000	13,100	11,900	900	2,100
INSTRUMENTS & RELATED PRODUCTS 9/	11,300	11,400	12,500	- 100	- 1,200
MISCELLANEOUS MANUFACTURING	3,900	4,000	4,000	- 100	- 100
NONDURABLE GOODS	68,600	65,200	66,600	3,400	2,000
FOOD & KINDRED PRODUCTS	32,600	29,400	30,800	3,200	1,800
CANNING & PRESERVING	21,300	18,200	19,800	3,100	1,500
OTHER FOOD PRODUCTS	11,300	11,200	11,000	100	300
TEXTILE MILL PRODUCTS	1,700	1,700	1,800	0	- 100
APPAREL	2,600	2,500	2,700	100	- 100
PAPER & ALLIED PRODUCTS	9,400	9,400	9,300	0	100
PRINTING & PUBLISHING	14,000	14,000	13,700	0	300
CHEMICALS & ALLIED PRODUCTS	2,400	2,400	2,300	0	100
PETROLEUM & ASPHALT PRODUCTS	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,900	4,900	5,000	0	- 100
LEATHER PRODUCTS	500	400	500	100	0
TOTAL NONMANUFACTURING	1,025,000	1,018,300	989,200	6,700	35,800
MINING & QUARRYING	1,500	1,500	1,600	0	- 100
CONSTRUCTION	53,700	52,300	49,600	1,400	4,100
BUILDING CONSTRUCTION	13,000	12,600	12,300	400	700
HEAVY CONSTRUCTION	7,400	6,800	7,200	600	200
SPECIAL TRADE CONTRACTORS	33,300	32,900	30,100	400	3,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	64,200	63,700	63,200	500	1,000
TRANSPORTATION	42,700	42,400	41,800	300	900
RAILROAD	3,800	3,800	3,900	0	- 100
TRUCKING & WAREHOUSING	24,900	24,800	24,500	100	400
OTHER TRANSPORTATION	14,000	13,800	13,400	200	600
COMMUNICATIONS	12,300	12,100	12,600	200	- 300
UTILITIES	9,200	9,200	8,800	0	400
TRADE	330,600	325,100	316,200	5,500	14,400
WHOLESALE TRADE	84,400	82,000	80,000	2,400	4,400
DURABLE GOODS	48,700	48,400	46,600	300	2,100
MACHINERY, EQUIPMENT, & SUPPLIES	11,400	11,400	11,000	0	400
OTHER DURABLE GOODS	37,300	37,000	35,600	300	1,700
NONDURABLE GOODS	35,700	33,600	33,400	2,100	2,300
GROCERIES & RELATED PRODUCTS	14,100	12,200	13,100	1,900	1,000
OTHER NONDURABLE GOODS	21,600	21,400	20,300	200	1,300
RETAIL TRADE	246,200	243,100	236,200	3,100	10,000
BUILDING MATERIALS & GARDEN SUPPLIES	9,400	9,500	8,700	- 100	700
GENERAL MERCHANDISE	30,800	30,500	29,000	300	1,800
FOOD STORES	44,500	42,700	40,700	1,800	3,800
AUTO DEALERS & SERVICE STATIONS	29,700	29,400	29,300	300	400
APPAREL & ACCESSORY STORES	10,400	10,600	10,200	- 200	200
FURNITURE & HOME FURNISHINGS	9,700	9,500	9,100	200	600
EATING & DRINKING PLACES	88,600	88,200	85,500	400	3,100
MISCELLANEOUS RETAIL	23,100	22,700	23,700	400	- 600
FINANCE, INSURANCE, & REAL ESTATE	78,000	78,100	76,800	- 100	1,200
FINANCE	28,300	28,300	28,200	0	100
INSURANCE	22,400	22,400	22,400	0	0
REAL ESTATE	27,300	27,400	26,200	- 100	1,100
SERVICES	294,000	292,000	284,100	2,000	9,900
HOTELS & OTHER LODGING PLACES	21,400	21,300	20,200	100	1,200
PERSONAL SERVICES	11,000	10,900	10,800	100	200
BUSINESS SERVICES	49,100	47,600	48,000	1,500	1,100
AUTOMOTIVE & MISC. REPAIR SERVICES	15,800	15,500	15,700	300	100
MOTION PICTURES & AMUSEMENTS	14,500	14,500	14,500	0	0
HEALTH SERVICES	87,400	87,500	83,300	- 100	4,100
LEGAL SERVICES	9,200	9,100	8,700	100	500
PRIVATE EDUCATION	11,700	11,600	11,600	100	100
SOCIAL SERVICES	24,700	24,900	24,100	- 200	600
ENGINEERING & MANAGEMENT SERVICES	20,200	20,200	19,000	0	1,200
OTHER SERVICES & NEC	29,000	28,900	28,200	100	800
GOVERNMENT	203,000	205,600	197,700	- 2,600	5,300
FEDERAL GOVERNMENT	34,100	35,500	33,500	- 1,400	600
STATE GOVERNMENT	58,300	58,100	56,600	200	1,700
EDUCATION	20,800	21,300	20,100	- 500	700
OTHER STATE	37,500	36,800	36,500	700	1,000
LOCAL GOVERNMENT	110,600	112,000	107,600	- 1,400	3,000
EDUCATION	59,900	61,800	58,400	- 1,900	1,500
OTHER LOCAL	50,700	50,200	49,200	500	1,500
LABOR-MANAGEMENT DISPUTES 10/	400	500	300	- 100	100

OREGON RESIDENT LABOR FORCE
(BY PLACE OF RESIDENCE)

	AUG.1/ 1990	JUL.2/ 1990	AUG. 1989	CHANGE FROM JUL. 1990	CHANGE FROM AUG. 1989
CIVILIAN LABOR FORCE 3/	1,530,600	1,511,200	1,487,500	19,400	43,100
UNEMPLOYMENT	79,800	86,700	77,700	- 6,900	2,100
PERCENT OF LABOR FORCE	5.2	5.7	5.2	XXX	XXX
SEASONALLY ADJUSTED PERCENT	5.6	5.8	5.6	XXX	XXX
TOTAL EMPLOYMENT 4/	1,450,800	1,424,500	1,409,800	20,300	41,000

1/ Preliminary
2/ Revised
3/ Includes employed and unemployed individuals 16 years and older, adjusted for multiple job-holding and commuting.
4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.
5/ Includes full- and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: These data are estimated in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
6/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of 0.8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).
7/ Goods producing industries include manufacturing, mining, and construction.
8/ Service producing industries include transportation, communications, and utilities; trade; finance, insurance, and real estate; services; and government.
9/ Series break. Data for 1988 and thereafter are not comparable to those for 1987 and before.
10/ Employees involved in labor disputes are not included in wage and salary employment counts.

The economic mainstay of manufacturing also lost jobs on a seasonally adjusted basis (-1,400). A third of this decrease occurred in lumber and wood products where market demand is quite weak. An industry newsletter has recently observed that the industry needs to reduce production. But each mill is waiting for other producers to make the cut in production and jobs. In addition, the demand for lumber continues to decrease. U.S. housing starts fell to a seasonally adjusted 1.13 million in August, a level not seen since August 1982. (Pundits have ruled that a recession is already occurring nationally in construction.)

Elsewhere in manufacturing, the agricultural season remained out of sync with historical seasonality keeping food processing employment trends a step ahead. Therefore, the jobs that were expected to be added in August had already been filled a month or so prior. This resulted in a seasonally adjusted decline of over 1,000 jobs in this sector in August.

With Oregon's job trend showing little in the way of strong, substantial upticks, national and international events and indicators show even more cause for concern. Indicators are both up and down. On the "bright" side, those that are up include unemployment, consumer prices, producer prices, consumer debt, and the trade deficit. The "darker" downside has retail sales, consumer confidence, industrial output, the aforementioned housing starts, real earnings, and employment. Even though this is certainly a pessimist's potpourri, a closer look at these numbers gives reason to expect some resiliency in the economy.

NONFARM WAGE & SALARY EMPLOYMENT INDEXES
(SEASONALLY ADJUSTED)

The Iraqi invasion of Kuwait and resultant military buildup and oil price shock have impacted Oregon, though in different measure than nationally. A few hundred workers were briefly employed in preparing several roll-on, roll-off navy freighters for duty from berths in Portland. An estimated 100 workers from Oregon have also been called to active duty.

The military buildup does not appear to have had a substantial impact in Oregon. However, higher oil prices have made a statement: curtail consumption of energy or spend more money on it. In the producer price series rising energy costs were reflected at the crude goods, intermediate processed goods, and finished goods levels.

Crude petroleum prices jumped 62.5 percent, the largest increase ever, while natural gas prices dropped 9.4 percent, the steepest drop in 14 years. Overall, crude energy prices were up 25.5 percent. Crude goods excluding foods and energy were up a much smaller 1.8 percent, and crude foodstuff prices declined by 0.9 percent.

Intermediate goods prices excluding food and energy increased only 0.3 percent, the same as in March. Prices for diesel fuel and kerosene soared over 30 percent, while the overall intermediate energy price index increased 9.6 percent.

In finished energy goods, prices for gasoline were up 16.9 percent after falling 5.3 percent in July. Home heating oil also rose, but by a more substantial 38.8 percent, again a record increase. Aggregate finished energy prices rose by 9.5 percent. Total finished goods' price rise was also much smaller at 1.3 percent (January was 1.9 percent).

U.S. consumer price increases in energy were more moderate: gasoline and fuel oil prices rose 7.6 and 15.4 percent respectively. When energy is excluded, inflation as measured by the CPI was less in August than July. This indicates that fear of continued high inflation, after the oil price shock works its way through, may be unwarranted.

Inflation's impact on U.S. workers' earnings, however, has been negative. Real (inflation-adjusted) weekly earnings decreased 0.6 percent between July and August, an annual rate of decline of 7 percent. In the 12 months ending in August real average weekly earnings were down 1.8 percent. This decline in earnings suggests that retailers will be getting fewer sales. In fact, retail sales nationally already are declining, losing 0.6 percent in August. This, despite a huge 6.4 percent jump in gasoline sales.

Another apparent result of declining real pay is the July rise in consumer debt. Consumers are evidently slower in making debt payments, pushing the expansion of their debt to an annual growth rate of 7.4 percent. Compounding the demands on available consumer dollars, national unemployment hit a two-year high of 5.6 percent in August. This is reflected in the prevalent decline of employment nationwide. Over the previous year, employment has fallen in six of the nation's nine regions, covering 33 states.

It was no surprise then to see consumer confidence indexes plunge dramatically in August. Similar plunges two and a half years ago, though, were followed by two years of solid economic growth. Capricious consumers have proven amazingly resilient at times.

Speaking of bouncing back, July's trade deficit was up nearly $4 billion from June's $5.34 billion. The 6.4 percent over the month decline in exports may have been a precursor to August's drop in industrial output of 0.2 percent. Exports, though, will likely rebound with the continued fall of the dollar. Even now, with European buyers offering $4 to $10 more per barrel of gasoline than the U.S. market, refiners are estimated to have exported to Europe some 5 million barrels during August and September.

While recent data from the "dismal science" (i.e., economics) is certainly troubling, some glimmers of hope were seen in the finer analysis. These data may shed a different light after they undergo revisions in the next month or so. It mainly is a matter of whether we have extended our economy too far to take the oil price shock without falling down. □

OREGON'S STRATEGIC PLAN -- AN UPDATE

(Editor's note: Duncan Wyse is the Executive Director of the Oregon Progress Board, Economic Development Department.)

Oregon Shines, a long-range economic strategy for our state, was completed one year ago last May. We reported on the plan in the April and July 1989 issues of **Oregon Labor Trends**, and now want to give an update.

Crafted with the help of over 200 Oregon leaders, the plan identified three areas where Oregon can excel over the next two decades in a way that fosters diverse, well-paying industry. The three areas are:

- A Superior Work Force - Measurably the best in America by the year 2000 and equal to any in the world by the year 2010.
- An Exceptional Quality of Life - Cities built on a human scale and access to diverse outdoor activities.
- An International Frame of Mind - Connections with the world starting early in school, and extending throughout our cultural and commercial life.

In addition, the plan suggested that we must pay attention to three other areas important for fostering economic growth: build partnerships among sectors, contain the costs of doing business in Oregon, and rebuild public facilities and services.

The blueprint in *Oregon Shines* connects economic development with other important public policy issues. The plan found that issues that matter for our lives outside work - education, quality of life, and public safety - also are the central issues for the future of our economy. And it argues that we can address many of these challenges by expanding our economy and devoting a portion of the income for schools, public facilities, and other public services.

Oregon Shines contained over 200 recommended actions for a variety of state agencies and for other sectors as well. Many organizations have responded. For example:

- Both the Boards of Education and Higher Education have reviewed *Oregon Shines* and responded to its suggested initiatives.
- The Governor's Portland Metropolitan Area Growth Task Force is addressing the urban growth management issues raised in the plan.
- The Economic Development Department has created the Partnerships Division to carry on the industry, community, and work force strategies suggested in the document.

Oregon Shines has a good track record on implementation. Yet a central message of the report was that no set of action recommendations - no one plan - no matter how well executed would achieve the future we want. To build our future we must draw a variety of institutions together towards a common purpose, and sustain the effort not over years, but decades, and beyond the term of most legislators, and certainly beyond the term of any single governor.

So, the *Oregon Shines* proposed, and the Legislature adopted, a new concept. The Legislature created The Oregon Progress Board with one sole mission: keep Oregon focused on the future. And it asked the Board to do what no state has ever done: propose measurable goals for Oregon to keep us on track towards the future we want. Goals to focus policy and programs toward key priorities. Goals which hold us accountable for results.

The Oregon Progress Board responded with a draft of *Oregon Benchmarks* which is undergoing public review in summer and early fall of 1990. The draft report proposes over 100 measurable goals for people, quality of life, and the economy which we can use to guide the state in the years ahead. The report scheduled for submission to the Legislature next January will become the first of many biennial reports on Oregon's progress. It will help Oregonians focus on what we must do now to achieve the future we want, and will be a tool for tracking whether our dreams are actually coming to fruition.

For a copy of the *Oregon Benchmarks* report please contact:

Progress Board
775 Summer Street
Street NE, Salem 97310 or
call (503) 373-1220. □

OREGON HOUSING AGENCY MAKES HOUSING FOR WORKERS A PRIORITY

Steve Westfall

Production of housing in areas where workers cannot find housing is a priority for the Oregon Housing Agency in reviewing applications for the 1990 Low-Income Housing Tax Credit Program. Under the revised program, which is currently fully committed and awaiting an extension by Congress, the Agency allocates federal tax credits to developers who in turn agree to provide affordable low-income rental housing for up to 30 years.

The Agency selects projects based on a qualified allocation plan which, among other things, places a priority on awarding tax credits to developers who propose housing projects where workers need it the most: in areas of employment growth with the lowest vacancy factors.

To qualify, low-income housing must serve households with incomes below 60% of family adjusted median income. Developers that serve lower levels receive further preferences. There is also a separate incentive to lower the rents below the maximum allowed under the program.

An employer can also benefit from the tax credit incentive by becoming a general or limited partner in a housing project. Employers nationwide have found that providing housing directly reduces costs of employee turnover. While eligible housing must be available to the general public, the Oregon Housing Agency will give additional weight to a project owned by a local employer under the investment limits contained in a request for proposals.

Interested people should contact Steven Westfall at the Oregon Housing Agency by calling (503) 373-1619. For more information, the Low-Income Housing Tax Credit Program is found in Section 42 of the *Internal Revenue Code*. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July[2] 1990	June[3] 1990	July 1989	July[2] 1990	June[3] 1990	July 1989	July[2] 1990	June[3] 1990	July 1989
TOTAL MANUFACTURING[4]	$432.23	$432.38	$420.04	38.8	39.2	38.5	$11.14	$11.03	$10.91
Durable Goods	441.09	441.07	430.23	39.0	39.7	38.9	11.31	11.11	11.06
Lumber & Wood Products	426.01	443.41	422.23	37.8	40.2	37.8	11.27	11.03	11.17
Logging & Sawmills	451.61	476.00	450.49	37.2	40.0	37.2	12.14	11.90	12.11
Veneer & Plywood	409.22	416.30	412.40	37.0	39.2	37.8	11.06	10.62	10.91
Millwork & Structural	384.56	401.21	363.37	40.1	42.1	39.8	9.59	9.53	9.13
Mobile Homes	361.44	369.03	307.44	37.3	39.3	34.7	9.69	9.39	8.86
Other Wood Products	420.59	423.20	410.41	38.8	40.0	39.5	10.84	10.58	10.39
Furniture & Fixtures	355.31	368.89	347.87	34.8	37.0	35.9	10.21	9.97	9.69
Primary Metals	490.33	473.01	497.67	38.7	38.3	41.3	12.67	12.35	12.05
Fabricated Metals	404.39	408.06	407.55	37.9	38.9	39.8	10.67	10.49	10.24
Machinery (Ex Electrical)	451.98	448.84	441.86	40.5	40.4	39.7	11.16	11.11	11.13
Nondurable Goods	408.74	410.40	391.95	38.2	38.0	37.4	10.70	10.80	10.48
Food & Kindred Products	328.10	326.85	312.99	37.2	35.8	36.1	8.82	9.13	8.67
Canning & Preserving	278.88	269.62	255.39	35.8	34.0	34.7	7.79	7.93	7.36
Other Food Products	437.94	428.93	423.77	40.4	39.1	38.7	10.84	10.97	10.95
Textile Mill Products	278.96	268.48	236.57	36.9	38.3	33.7	7.56	7.01	7.02
Apparel	231.80	265.57	221.05	33.4	38.6	33.8	6.94	6.88	6.54
Paper & Allied Products	639.39	632.88	655.94	41.6	41.5	41.7	15.37	15.25	15.73
Printing & Publishing	495.73	474.75	430.52	37.9	37.5	36.3	13.08	12.66	11.86
Construction[4]	608.01	581.36	573.65	38.9	37.8	38.5	15.63	15.38	14.90
Communications & Utilities[5]	543.48	581.39	555.66	38.3	40.6	42.0	14.19	14.32	13.23
Trade[5]	336.42	329.47	330.58	35.6	35.2	35.7	9.45	9.36	9.26
Wholesale Trade	449.28	432.06	443.04	39.0	38.0	39.0	11.52	11.37	11.36
Retail Trade	278.17	277.16	273.82	33.8	33.8	34.1	8.23	8.20	8.03
Banking & Insurance[5]	379.66	361.66	362.78	39.1	37.4	38.8	9.71	9.67	9.35
State & Local Government	446.29	403.58	425.09						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1987 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

COUNTY PER CAPITA INCOME DATA RELEASED

Gary Sincick

Assessing the relative economic conditions of Oregon's counties is not made any easier by the dearth of economic and demographic data available at the county level. Many data series are available only at the national level, with far fewer being broken out by state, let alone county. While the decennial census provides nearly every conceivable type of data in painstaking detail down to the county and sometimes subcounty level, its "once a decade snapshot" is of limited usefulness for identifying medium-term trends. Consequently, data series that are produced at the county level on a regular basis (such as local area employment estimates) tend to be watched closely and eagerly awaited by those engaged in local area analysis and policy-making. Such is the case with the personal income data series produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

The BEA recently released its county level personal income estimates for 1988 and revised estimates for 1985 through 1987. Although 1989 data are available on a statewide basis, the county estimates lag by about one year.

. . .per capita income gives no indication of how income is distributed, and should not be interpreted as being a "typical" person's income.

Total personal income includes not only wages and salaries, but also proprietor income, transfer payments, dividends, interest, and rent. The BEA details the sources of wage and salary income by industry, and transfer payments are broken out by specific type. These data provide a good indication of the magnitude and composition of a county's economy. To make comparisons between counties, however, it is helpful to look at total personal income per capita. Per capita personal income is derived by dividing a region's total personal income by its total population. In this way, comparisons can readily be made between regions of vastly different sizes.

It should be noted that per capita income gives no indication of how income is distributed, and should not be interpreted as being a "typical" person's income. Remember, some portion of the total population (such as young children) will have no income whatsoever. Likewise, a relatively small number of business owners may be responsible for a large share of total personal income.

The accompanying table shows per capita personal income by county for 1987 and 1988. Between these two years, Oregon's statewide per capita income grew by 7.1%. After adjusting for inflation (using the U.S. CPI-U), this translates into a real rate of 2.8%. Only two counties, Curry and Morrow, failed to keep pace with inflation over this period.

Some may find it surprising that the two counties with the highest 1988 per capita incomes are not in the Portland Metro area. Sherman and Gilliam counties held the two top ranks by a considerable margin. While Sherman County had the highest per capita income level in the state ($23,111), Gilliam led the state in growth (25.8%). Lest this be dismissed as a fluke, it should be pointed out that Sherman County has held the number one spot since 1980!

These counties have two things in common that account for their high levels of per capita income. First, both have large shares of their total personal income accounted for by farm proprietors' income. While farm proprietors' income comprised only 1.9% of Oregon's total personal income, it made up 44.4% of Sherman County's. Second, both counties have very small populations, hence their total incomes are divided among fewer people.

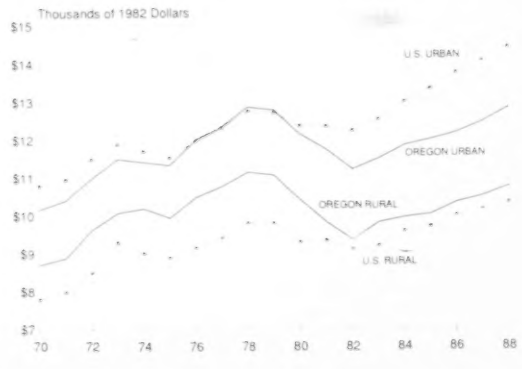
This combination of small population and reliance on farm income not only increases the level of per capita income, but causes it to be more volatile as well. This volatility is evidenced by adjacent Morrow County, which was the only county that experienced an actual decrease in per capita income in 1988. While Morrow County dropped by 1.7%, it still had the 8th highest level of per capita income in the state.

These sparsely populated counties along the Columbia River are not, however, representative of rural Oregon as a whole. At the other end of the state, for example, lies Josephine County, which had the lowest per capita income of all Oregon counties. Its 1988 level of $10,763 was a scant 72.3% of Oregon's average level.

Taken together, Oregon's rural counties had a 1988 per capita income of $13,171, while urban counties enjoyed the higher level of $15,696. For the purposes of this analysis, a county is considered to be urban if it comprises all or part of a metropolitan statistical area; these counties are Clackamas, Multnomah, Washington, Yamhill, Marion, Polk, Lane, and Jackson. The per capita income gap between urban and rural Oregon is sometimes pointed to as a serious cause for concern. It can be enlightening, however, to put this gap into a national perspective.

The accompanying graph shows inflation-adjusted per capita income for the rural and urban components of both Oregon and the United States. While Oregon's rural/urban income gap is evident, it is considerably narrower than the nation's. This suggests that Oregon is far better off in terms of geographic income distribution than is the U.S. as a whole. It may well be desirable for Oregon to reduce its disparity between rural and urban per capita incomes, but

REAL PER CAPITA INCOMES COMPARED



the impetus for such a policy should not be the idea that Oregon suffers by comparison to the rest of the country; it clearly does not, particularly with respect to rural per capita income comparisons.

Per capita income data are quite useful for a wide variety of analyses. To obtain historical series, detailed sources of personal income, or other information regarding these data, please contact:

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Salem, OR 97311
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PER CAPITA PERSONAL INCOME

	1988 Rank	1988	1987	Change 1987-88	% Change 1987-88	% of Oregon 1/
United States		16,490	15,472	1,018	6.6	110.8
Oregon		14,876	13,890	986	7.1	100.0
Portland PMSA 2/		16,837	15,643	1,194	7.6	113.2
Salem MSA 3/		13,720	12,875	845	6.6	92.2
Baker	29	12,878	11,666	1,212	10.4	86.6
Benton	7	15,453	14,243	1,210	8.5	103.9
Clackamas	5	16,981	15,921	1,060	6.7	114.2
Clatsop	10	14,751	13,604	1,147	8.4	99.2
Columbia	25	13,017	12,248	769	6.3	87.5
Coos	27	12,921	12,265	656	5.3	86.9
Crook	24	13,166	12,307	859	7.0	88.5
Curry	23	13,199	12,925	274	2.1	88.7
Deschutes	13	14,269	13,196	1,073	8.1	95.9
Douglas	30	12,821	12,161	660	5.4	86.2
Gilliam	2	21,846	17,372	4,474	25.8	146.9
Grant	21	13,317	11,993	1,324	11.0	89.5
Harney	15	14,214	12,758	1,456	11.4	95.5
Hood River	14	14,227	13,223	1,004	7.6	95.6
Jackson	22	13,249	12,534	715	5.7	89.1
Jefferson	20	13,331	12,183	1,148	9.4	89.6
Josephine	36	10,763	10,269	494	4.8	72.4
Klamath	32	12,547	11,859	688	5.8	84.3
Lake	12	14,312	12,741	1,571	12.3	96.2
Lane	16	13,973	13,085	888	6.8	93.9
Lincoln	18	13,703	12,989	714	5.5	92.1
Linn	34	12,272	11,500	772	6.7	82.5
Malheur	35	12,032	11,065	967	8.7	80.9
Marion	17	13,894	12,995	899	6.9	93.4
Morrow	8	14,799	15,055	-256	-1.7	99.5
Multnomah	6	16,827	15,455	1,372	8.9	113.1
Polk	26	12,924	12,326	598	4.9	86.9
Sherman	1	23,111	20,263	2,848	14.1	155.4
Tillamook	33	12,416	11,883	533	4.5	83.5
Umatilla	31	12,727	11,975	752	6.3	85.6
Union	28	12,884	12,283	601	4.9	86.6
Wallowa	11	14,372	12,667	1,705	13.5	96.6
Wasco	9	14,788	13,600	1,188	8.7	99.4
Washington	3	17,389	16,371	1,018	6.2	116.9
Wheeler	4	17,377	15,815	1,562	9.9	116.8
Yamhill	19	13,608	12,707	901	7.1	91.5

1/ 1988 county per capita income divided by 1988 Oregon per capita income
2/ Clackamas, Multnomah, Washington, and Yamhill counties
3/ Marion and Polk counties

Source: Bureau of Economic Analysis □

EMPLOYERS' CORNER

Karen Blythe

(Editor's note: Karen Blythe is the Personnel Manager at MDA, Inc., a high volume production machine shop in Klamath Falls.)

Many employers throughout the state will gather in The Dalles September 13th thru 15th for the Job Service Employer Committee (JSEC) annual conference. There are 22 local committees in the state and most will be sending representatives to the conference.

The primary function of JSEC is to serve as advisors to the Employment Division. In that capacity the committees work to insure effective, efficient, and appropriate service to unemployment insurance claimants, people seeking employment, as well as employers.

Many employers are now using the Employment Division exclusively to meet their hiring needs. Others are using the services to augment their recruitment methods. Employers are reporting that the applicants have been well-screened and are fitting their specified job requirements. They have also noted that by using the Employment Division to support their hiring practices they are becoming more efficient.

A secondary purpose of JSEC is to educate employers about issues that are pertinent to today's working world. Through seminars employers have learned about employment policies, developing employee handbooks, child care issues, drugs in the workplace, motivating employees, and the unemployment hearings process. JSEC has become a forum for employers to share ideas and solve problems.

The Job Service Employer Committee works to insure that the money employers pay in unemployment tax is spent wisely and that employers' needs are being met. At the annual conference in The Dalles, JSEC will be discussing the challenges facing employers in the 1990s. Employers who are JSEC members are encouraged to attend. Employers who are not members should contact their local Employment Division office for information on becoming a member of the Oregon Job Service Employer Committee. □

STATE OF OREGON UNEMPLOYMENT RATES BY AREA

August 1990

	Civilian Labor Force	Total Employment	Unemployment	Rate[1]
State of Oregon	1,530,600	1,450,800	79,800	5.2
Eugene MSA[2]	150,200	142,100	8,100	5.4
Medford MSA[3]	74,400	69,570	4,830	6.5
Portland PMSA[4]	696,400	666,500	29,900	4.3
Salem MSA[5]	146,600	139,900	6,700	4.6
Baker	7,240	6,730	510	7.0
Benton	37,130	35,860	1,270	3.4
Clatsop	19,740	18,580	1,160	5.9
Columbia	17,900	16,430	1,470	8.2
Coos	28,740	26,380	2,360	8.2
Crook	7,620	7,140	480	6.3
Curry	10,310	9,830	480	4.7
Deschutes	43,320	41,200	2,120	4.9
Douglas	48,830	44,990	3,840	7.9
Gilliam	1,100	1,070	30	2.7
Grant	4,870	4,410	460	9.4
Harney	4,540	4,190	350	7.7
Hood River	10,800	9,870	930	8.6
Jefferson	8,200	7,810	390	4.8
Josephine	27,350	25,240	2,110	7.7
Klamath	26,360	23,890	2,470	9.4
Lake	4,210	3,950	260	6.2
Lincoln	21,060	20,090	970	4.6
Linn	43,830	40,450	3,380	7.7
Malheur	16,640	15,980	660	4.0
Morrow	4,020	3,790	230	5.7
Sherman	790	750	40	5.1
Tillamook	9,650	9,170	480	5.0
Umatilla	31,660	29,740	1,920	6.1
Union	12,190	11,410	780	6.4
Wallowa	4,240	4,070	170	4.0
Wasco	10,100	9,130	970	9.6
Wheeler	660	600	60	9.1

[1] Not Seasonally Adjusted
[2] Lane County
[3] Jackson County
[4] Clackamas, Multnomah, Washington, Yamhill counties
[5] Marion and Polk counties

LMI LABOR MARKET INFORMATION

STATE OF OREGON

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division,

Graham Slater, Interim Assistant Administrator
Jeffry Hannum, State Economist & Editor
Perky Collins, Typesetting
Carol Schmidt, Graphic Artist

Please send any address changes to Research & Statistics, LMI Programs Unit, Room 207, 875 Union Street N.E., Salem, OR 97311 or Phone (503) 378-8657.

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